THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The foreign exchange reserves (including gold, SDRs and Reserve Tranche Position in IMF) stood at US $ 245.9 billion as on December 5, 2008.

(b) The data on foreign exchange reserves for the last three years from 2005-06 to 2007-08 are furnished in the Table given below:

Foreign Exchange Reserves for the years 2005-06 to 2007-08

(in US $ million)

Data	Total Reserves
At end March 2006	151,622
At end March 2007	199,179
At end March 2008	309,723
As on December 5, 2008	245,857

(c) The level of forex reserves is largely the outcome of the Reserve Bank's intervention in the foreign exchange market to smoothen exchange rate volatility and valuation changes due to movement of US dollar against other major currencies of the world.

(d) Foreign exchange reserves are accumulated when there is an absorption of the excess foreign exchange flows by the RBI through intervention in the foreign exchange market and vice versa. The present level of foreign exchange reserves is adequate to meet emerging balance of payments situation in the short to medium term. A slew of measures have been taken to improve foreign exchange inflows, which *Inter alia* include:

(i) The interest rate ceilings on FCNR (B) and NR(E) RA term deposits were raised to LIBOR/Swap rates plus 100 basis points and 175 basis points respectively, so as to attract more foreign currency deposits from NRIs.

(ii) External Commercial Borrowings (ECBs) up to US $ 500 million per borrower per financial year were permitted for rupee expenditure and / or foreign currency expenditure for permissible end uses under the automatic route.

(iii) The all-in-cost ceiling for ECBs for average maturity period of 3 years and up to 5 years has been enhanced to 300 basis points above LIBOR and to 500 basis points above LIBOR for ECBs over 5 years.

(iv) The all-in-cost ceiling for trade credit of less than 3 years was enhanced to 6 months LIBOR plus 200 basis points.

Annual rate of growth of GDP

2384. SHRI S.S. AHLUWALIA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the annual rate of growth of Gross Domestic Product (GDP) for the current year has been revised;

(b) if so, the prospect envisaged at the beginning of 2008-09 and what is estimated to be achieved finally;

(c) the details of contribution made by agriculture activities, manufacturing, mining, power generation, service sector activities and exports respectively to GDP during the first half of the current financial year and those estimated for the remaining half;

(d) the details of the rate of wage earning, employment generation excluding those under National Rural Employment Guarantee Act envisaged *vis-a-vis* GDP growth rate estimation at the beginning of the year; and

(e) the growth rate of employment now estimated based on the revised GDP growth?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Reserve Bank of India in their Mid-term Review of Annual Policy for 2008-09 has revised their forecast for the growth of real Gross Domestic Product (GDP) for 2008-09 to a range of 7.5-8.0 percent, from their earlier forecast of 8.0-8.5 percent in the annual policy statement for 2008-09 (April-2008).

(c) During the first half of 2008-09, the percent share of GDP at factor cost for agriculture and allied activities, manufacturing, mining and quarrying, electricity and water supply and for services sector stood at 15.3, 15.7, 1.9, 2.1 and 57.4 respectively. The share of exports in GDP at market prices stood at 28.4 percent.

(d) and (e) The Eleventh Five Year Plan envisages generation of 58 million new employment opportunities A 20 percent rise in real wage rate of unskilled workers is also envisaged. While no exhaustive survey/study has been conducted regarding increase of unemployment due to global economic recession, the impact has been limited in India compared to the developed countries, as impact on agricultural sector, where a large proportion of population is employed has been relatively less affected by the crisis. Besides as the deceleration in growth in services sector in the first half of 2008-09 is muted compared to corresponding period of the previous year.

Conversion of liquidity into credit flows

2385. SHRI RAJKUMAR DHOOT:
SHRI RAHUL BAJAJ:

Will the PRIME MINISTER be pleased to state the reasons for liquidity with banks not being converted into credit flows to the real sector, especially to customers of cars and motorcycles?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): There is no evidence to indicate that credit flows to the real sector have been adversely affected during the current year. As per the latest data reported by the Reserve Bank of India (RBI) for 5th December, 2008, the total credit of Scheduled Commercial Banks (SCBs) stood at Rs.26.3 lakh crores recording a growth of 26.4% on Year-on-Year (YoY) basis. This was higher than YoY growth of 22.1 per cent for the corresponding period of 2007.